

BI(19)4038:1 – DDJ/jg

Directorate-General for Competition
European Commission
Unit 03 State aid registry
B- 1049 Brussels

Brussels, 16th May 2019

Re: HT.5594: Copa and Cogeca's responses to the public consultation on the prolongation of the State aid regulations and guidelines reformed under the State Aid Modernisation (SAM) package and expiring at the end of 2020: guidelines on state aid for environmental protection and energy 2014-2020

Dear Sir or Madam,

Copa and Cogeca welcome the Commission's intention to prolong the guidelines on State aid for environmental protection and energy 2014-2020 until 2022.

Copa and Cogeca have continuously called for a long-term and stable EU policy in favour of sustainable crop-based biofuels, which are efficient tools that contribute to the decarbonisation of the EU transportation sector. With at least 80% of new vehicles expected to have an internal combustion engine, the EU will rely on liquid fuels in transport beyond 2020. Removing crop-based biofuels, which are certified as sustainable, from the liquid fuel mix in 2030 would be unrealistic and would threaten the transition towards lower or zero-emission vehicles. The only winners would be fossil fuels, which are less environmentally friendly.

Guidelines 113 and 121 stipulate that operating aid for crop-based biofuels can only be granted until 2020 or until the plant has fully depreciated. An extension of these guidelines until at least 2022 should therefore also amend the deadline until which crop-based biofuels would be eligible for operating aid. However, to improve consistency with the Directive (EU) 2018/2001, Copa and Cogeca recommend that investment aid and operating aid expire in 2020 only for high indirect land-use change feedstock for which a significant expansion of production area into land with high carbon stock is observed according to Article 26 § 2 of the Directive (EU) 2018/2001 (RED II).

Furthermore, discriminating between crop-based and advanced biofuels is not justified according to RED II. The phase-out of policy support for crop-based biofuels in transport coupled with a partial phase-down post-2020, principles upon which the current guidelines are based, have been rejected by the co-legislators. On the contrary, the co-legislators have renewed their support for all sustainable forms of biofuels.

The aptitude test process, which began in January 2019, needs to be used to update the rules so as to restore the confidence of investors and align EU climate and environmental objectives.

Yours sincerely,

Pekka Pesonen
Secretary General

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